

Minutes of the Finance Committee

Wednesday, May 7, 2014

Chair Heinrich called the meeting to order at 8:31 a.m.

Present: Supervisors Jim Heinrich, Richard Morris, Steve Whittow, Eric Highum, Larry Nelson, and Bill Zaborowski. Morris left the meeting at 9:27 a.m. **Absent:** Duane Paulson.

Also Present: Chief of Staff Mark Mader, Matt Masterson from *The Freeman*, Senior Civil Engineer Bruce Barnes, Engineering Services Manager Gary Evans, County Clerk Kathleen Novack, Treasurer Pam Reeves, Principal Financial Projects Analyst Bob Ries, Accounting Services Manager Larry Dahl, Budget Manager Linda Witkowski, Register of Deeds Jim Behrend, Senior Financial Analyst Steve Trimborn, and Administration Director Norm Cummings. Recorded by Mary Pedersen, County Board Office.

Schedule Next Meeting Dates

- May 21 (8:30 a.m.)
- May 27 (6:15 p.m.)

Announcements

Nelson said the Addiction Resource Council's annual meeting will be held at Sprizzo's in downtown Waukesha on May 21 from 2:30 p.m. to 5:30 p.m. District Attorney Brad Schimel will be presented an award for his work with drug and alcohol issues. The keynote speaker will be County Board Chair Paul Decker with an open house to follow. Nelson noted the Addiction Resource Council recently integrated with the Waukesha County Drug Free Communities of which he is a co-chair.

Committee Welcome and Opening Remarks by Chair

Heinrich discussed committee protocols, agenda/meeting format, and County Board staff roles. He thanked the committee for accepting their committee assignment and indicated he will be delegating tasks and assignments to committee members. He asked the committee to review their materials prior to each meeting and be prepared. For quorum purposes, committee members are to contact Mary Pedersen in the County Board Office in the event of an absence or late arrival.

Nomination and Election of Vice Chair and Secretary

MOTION: Morris moved, second by Zaborowski to elect Larry Nelson as Vice Chair of the Finance Committee. Motion carried 6-0.

MOTION: Morris moved, second by Nelson to elect Bill Zaborowski as Secretary of the Finance Committee. Motion carried 6-0.

Discuss Committee Duties and Responsibilities as Written in the County Code of Ordinances

Mader highlighted the County Code as it relates to this committee. The Finance Committee has budget and policy oversight over the Department of Administration and the Treasurer's Office. It is this committee's role to determine if the contract procurement process was followed correctly and

ensure that it was fair. It is not about the project or the chosen vendor but the process only. This committee thoroughly reviews each departmental budget in the fall and monitors the current budget throughout the year. This committee also handles fund transfer requests, relevant financial legislation, closed/open session on liability claims, delinquent taxes, the acquisition and sale of tax deeded properties, inventory and disposal of fixed assets, and the sale, lease, and purchase or disposition of County land or buildings with the exception of highway right-of-way.

Mader said we try to look at programs and processes from a cost-benefit standpoint or return on investment. We look at compelling reasons as to why certain things are done and why items are still in the budget. Via quarterly reports, this committee reviews investments, revenues and expenditures per department, insurance reserves, fund balances – all of which affect the budget. The reason for the multitude of reports is because this committee is most responsible for monitoring all financial aspects of the County. Key factors in the budget are investment income projections, projected Register of Deeds revenues, insurance reserves, and the use of fund balance relative to prior years. Maintaining the County's Triple A bond rating is very important.

Contract Procurement Process for Engineering Design Services – CTH YY, Burleigh Road Intersection

Barnes and Evans were present to discuss this item. The contract was awarded to K. Singh & Associates, Inc., the highest rated proposer, for a total contract cost of \$90,215. The amount budgeted for this project was \$135,000. A total of seven vendors submitted RFPs for consideration.

MOTION: Zaborowski moved, second by Morris to approve the contract procurement process for engineering design services for CTH YY, Burleigh Road intersection. Motion carried 6-0.

Educational Presentation on the Treasurer's Office

The Finance Committee has budget and policy oversight of Treasurer's Office. Reeves discussed her handout in detail on her office's responsibilities which include collecting local and County property tax; compute and distribute tax settlements to 37 municipalities, the Department of Revenue, and other taxing entities; conduct the annual foreclosure process and auction, process daily deposits for other County departments, transfer and remit funds as required and when directed, print and mail accounts payable checks, distribute employee payroll checks, prepare bank reconciliations for the County's general account, administer unclaimed funds for all County departments and municipalities, and oversee County investment activities.

Morris left the meeting at 9:27 a.m.

Review County Investment Policies

Dahl and Ries were present to discuss this item. Ries referred to the investment policy and year-end investment report which included information on average daily balances, total County investment income, investment rates, investment types, portfolio, etc. Ries advised the County has adopted an investment policy to preserve capital in the overall portfolio and protect investment principal, maintain sufficient liquidity to meet disbursement requirements, and manage the portfolio to maximize investment returns.

Year-end Report on General Funds

Witkowski reviewed the preliminary unaudited year-end results of the General Fund. The report indicates a positive fund balance impact as compared to the budget of almost \$1.6 million or 1% of

the expenditure modified budget of \$161.5 million. This includes under budget spending by 2.1% or \$3.5 million of the \$161.5 million expenditure budget and non-levy revenues under achieved by 2.4% or \$1.9 million of \$78.8 million budgeted.

Those funds that showed a \$0 or favorable year-end budget variance were Emergency Preparedness (\$62,200); District Attorney (\$185,000); Circuit Court Services (\$112,800); Medical Examiner (\$128,000); Corporation Counsel - Child Support Fund (\$48,800); Human Services (\$855,700); Health & Human Services (H&HS) Clinical Services (\$35,600); H&HS Veterans' Services (\$30,000); H&HS Aging & Disabilities Resource Center (ADRC) (\$30,500); H&HS Family Care Payments to the State (\$0); H&HS Children's Long-Term Support (CLTS) third party administrator (\$0); Register of Deeds (\$386,200); UW-Extension (\$41,300); Parks & Land Use (PLU) (\$319,800); Public Works – General Fund (\$299,600); County Executive Office Operations (\$37,100); County Board (\$85,400); County Clerk (\$44,100); Administration (\$178,000); Corporation Counsel (\$244,300); and Non Departmental (\$525,800). Those funds that showed an unfavorable budget variance were the Sheriff (-\$16,100); H&HS Public Health Division (-\$8,900); H&HS Criminal Justice Collaborating Council (-\$15,800); and Treasurer (-\$2,048,900).

MOTION: Nelson moved, second by Zaborowski to accept the year-end report on General Funds. Motion carried 5-0.

Year-end Report on Special Revenue Funds

Witkowski reviewed the preliminary unaudited year-end results of the Special Revenue Fund. Overall, the report indicates a positive fund balance impact. Significant fund balance impacts include the Community Development Block Grant (CDBG) Fund and the Tarmann Parkland Acquisition Fund which generated favorable fund balances of \$511,600 and \$548,800 respectively. These balances will be re-appropriated by future County Board action for approved projects and land purchases. The Transportation Fund shows an unfavorable fund balance impact of \$14,000. This was after an ordinance was approved appropriating additional expenditures of \$975,000 for winter highway maintenance work funded with increased revenues of \$885,000 and contingency funds of \$90,000.

Those funds that showed a \$0 or favorable year-end budget variance were H&HS ADRC Grant Fund (\$0); Federated Library – County Fund (\$0); Federated Library – State Aids, Federal & Misc. Fund (\$64,600); Federated Library – CAFÉ (Computer Access for Everyone) Shared Automation Fund (\$7,400); PLU – CDBG Fund (\$511,700); and PLU – Tarmann Park & Open Space Land Acquisition Fund (\$548,800). Those funds that showed an unfavorable budget variance were the PLU – Land Information Systems (LIS) Fund (-\$3,300) and Public Works – Transportation Fund (-\$14,000).

MOTION: Whittow moved, second by Nelson to accept the year-end report on Special Revenue Funds. Motion carried 5-0.

Educational Presentation on the Department of Administration

The Finance Committee has budget and policy oversight of the Department of Administration. Cummings referred to the organization/program chart for the Department of Administration and highlighted the following divisions within the department: Human Resources, Budget, Purchasing and Risk Management, Information Technology/Communications, Accounting Services, and

Administrative and Business Services. The department's primary function is to provide support services to the departments.

Financial Management, Fund Balance Policies and Bond Ratings

Cummings explained the County's planning processes, budget impacts, financial management policies, financial structures, Debt Service, County's Triple A bond rating, fund balance, 2014 capital projects budget, and 5-year capital projects plan as outlined in the 2014 adopted budget.

MOTION: Highum moved, second by Zaborowski to adjourn at 11:56 a.m. Motion carried 5-0.

Respectfully submitted,

William J. Zaborowski
Secretary